Message Text

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TO SECSTATE WASHDC 7785

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EO 11652: N/A

TAGS: PFOR, US, JM

SUBJECT: GOJ STOCKPILE PROPOSAL: LETTER FROM PM MANLEY

REF: KINGSTON 1404

1. THIS TELEGRAM TRANSMITS TEXT OF LETTER FROM PM MANLEY TO SECRETARY KISSINGER. LETTER DATED MAY 20 AND RECEIVED AT EMBASSY ON MAY 21.

BEGIN TEXT:

DR. HENRY KISSINGER, SECRETARYOF STATE, WASHINGTON, D.C.,

U.S. A. 20TH MAY, 1975

YOU WILL RECALL THAT WHEN I HAD MY DISCUSSIONS WITH YOU IN THE EARLY PART OF LAST YEAR CONCERNING MY GOVERNMENT'S INTENTION TO RE-NEGOTIATE OUR BAUXITE ARRANGE-MENTS WITH THE MULTI-NATIONAL COMPANIES, WE AGREED TO EACH APPOINT AN INDIVIDUAL WHO WOULD KEEP YOURSELF AND MYSELF FULLY APPRISED OF THE CURRENT STATE OF THE NEGOTIATIONS AS WELL AS VIEWS OF EITHER SIDE. MR. LARRY EAGLEBURGER WAS APPOINTED BY YOU AND I APPOINTED MR. MAYER MATALON TO REPRESENT JAMAICA'S VIEWS. FROM ALL THE REPORTS I HAVE RECEIVED THIS DECISION PROVED TO BE A SOUND AND HELPFUL ONE. WHICH FACILITATED LIMITED OFFICIAL USE

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A REASONABLY SMOOTH SETTLEMENT OF WHAT AT ONE STAGE APPEARED

A MOST DIFFICULT PROBLEM.

IN FEBRUARY OF THIS YEAR I INSTRUCTED MR. MATALON TO HOLD DISCUSSIONS WITH YOU MR. EAGLEBURGER FOR THE PURPOSE OF PRESENTING MY VIEWS CONCERNING THE PRESENT PROBLEMS OF DEMAND AND PRODUCTION IN THE INDUSTRY AND THE PROBABILITY OF SUBSTANTIAL PRICE INCREASES FOR ALUMINIUM METAL IN THE FUTURE WHEN THE AMERICAN ECONOMY COMMENCED ITS ANTICIPATED IMPROVE-MENT. THE SUBSTANTIAL PRICE INCREASE IN MY VIEW, APPEARED TO BE INEVITABLE AS ALL "U.S. GOVERNMENT STOCK-PILE" OF METAL HAD BEEN DEPLETED DURING THE LAST PERIOD OF HEAVY CONSUMPTION AND WITHOUT THIS BUFFER STOCK IF DEMAND REGAINED THE LEVELS ATTAINED DURING 1973 AND THE FIRST HALF OF 1974, PRICES WILL RISE CONSIDERABLY IN THE FACE OF SUPPLY SHORTAGES. FOR THE REASON, AND BECAUSE WE HAVE ALWAYS FELT THAT IT IS IN THE BEST INTEREST OF BOTH COUNTRIES THAT PRICES BE MAINTAINED AT REALISTIC LEVELS, I ASKED THAT HE PROPOSE, THROUGH MR. EAGLEBURGER, THE REINSTATEMENT OF THE "STOCK-PILE" BY U. S. GOVERNMENT PURCHASERS.

I ATTACH HERETO A COPY OF A SHORT MEMO WHICH SETS OUT MY VIEWS IN THIS MATTER. THIS MEMO WAS PRESENTED BY MR. MATALON TO MR. EAGLEBURGER DURING HIS DISCUSSIONS. I WAS INTERESTED IN YOUR RECENTSPEECH IN KANSAS AND PARTICULARLY IN THE PARAGRAPH WHICH STATED:

.... "THE U.S. WAS PREPARED TO DISCUSS NEW ARRANGEMENTS IN INDIVIDUAL COMMODITTIES, ON A CASE BY CASE BASIS AS CIRCUMSTANCES WARRANT..."

IT WOULD SEEM TO ME THAT MY PROPOSAL FOR THE REBUILDING OF THE U.S. ALUMINIUM "STOCK-PILE" ACCORDS WITH YOUR IDEAS OF NEGOTIATIONS ON SPECIAL ARRANGEMENTS. I WRITE THIS LETTER, THEREFORE, TO ENQUIRE WHETHER THE TIME IS APPROPRIATE FOR ANOTHER DISCUSSION BETWEEN US AND I WAS MOST HAPPY TO LEARN THAT YOU HAD ACCEPTED AN INVITATION FROM SENATOR THOMPSON TO VISIT JAMAICA IN THE NEAR FUTURE. I SHOULD BE HAPPY IF YOU WERE ABLE TO TAKE UP THIS INVITATION AT AN EARLY DATE WHICH WOULD PROVIDE AN OPPORTUNITY FOR A DISCUSSION ON BAUXITE.

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HOWEVER, IF YOU ARE UNABLE TO COME TO JAMAICA IN THE VERY NEAR FUTURE, I SHOULD BE PREPARED TO PAY A ONE-DAY VISIT TO WASHINGTON.

YOURS SINCERELY,

MICHAEL MANLEY

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2. MEMORANDUM NOT TRANSMITTED SINCE DEPT ALREADY HAS TEXT WHICH WAS SUBMITTED IN REFTEL. HEWITT

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Message Attributes

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